2006 Tourism Plan HIGHLIGHTS

This is

NOVA SCOTIA

Canada's Seacoast

DELIVER THE EXPERIENCE

Overview

Nova Scotia's Vision for Tourism is crystal clear: to double our industry's revenues by 2012. Change is the only constant in our industry: travel behavior everywhere is changing, and so are the needs of travelers.

Our challenge is to reach and motivate an increasingly choosy traveler in a marketplace that is more competitive than ever before and truly global in scope. This challenge is a significant one, but by working together we can make sure that Tourism continues to be a vital growth engine for our province's economy. Tourism is a billion dollar business that yields benefits for all Nova Scotians.

How will we meet the Tourism Vision's goal? By working together to ensure that our plans are research-based and strategically sound. And, we have the systems in place to measure our results and respond to a changing business environment.

The following is a high-level overview of Nova Scotia's 2006 Annual Tourism Plan. *The full plan, and our 2006 Tourism Partnerships and Programs can be found at www.nstpc.com/2006Plan.*

2005 in Review

The travel industry was buffeted by a variety of market forces in 2005. As of the end of September most indicators pointed to a challenging year – overall non-resident overnight visitation to Nova Scotia lagged 5% behind last years' levels, while the accommodations sector had experienced a 3% decline in room-nights sold. Many national and global factors underlie the fall in tourism activity measures. These included: soaring fuel prices; a strong Canadian dollar; and, a Canada-wide trend of declining visitation, in fact, the lowest in decades. In addition, Nova Scotia faced a specific challenge in transportation access to the USA, with the cancellation of the Yarmouth to Portland ferry route.

In spite of the difficulties that 2005 brought, there were also some significant successes that are important to recognize.

- New Investment of $10 million in product development, marketing and sales and partnerships.
- Purchase of the Lunenburg waterfront ensured the viability of this tourism icon.
- A new partnership renewed Bluenose II as a tourism asset.
- Nova Scotia celebrated the 400th Anniversary of Port Royal.
- The 50th anniversary of the Canso Causeway attracted 40,000 visitors.
- The BMO Ladies Professional Golf Association put us on the world golf stage.
- Creation of the Acadian Tourism Advisory Committee enhanced development of Acadian tourism product.
- Strengthened partnership agreements with Regional Tourism Industry Associations.
- Community leaders and stakeholders worked together to grow tourism through the Tourism Destination Areas initiative.
- Partnered with Keith's in successful East Coast Music Awards promotion.
- TIAC national awards – two winners and a nomination:
  - Business of the Year - Rodd Hotels & Resorts
  - Marketing campaign of the Year – Nova Scotia Tourism, Culture & Heritage
  - Nomination – Employee of the Year – Kristen Godbout (Prince George Hotel)
- International recognition for Highland Links Golf Course.
- Advertising efforts increased awareness of our destination and the number of qualified inquiries.
- Continued development of novascotia.com resulted in increased downloads of on-line information.

The Road Ahead

How does a province the size of Nova Scotia compete against the rest of the world as a travel destination? By using our collective marketing funds in the best possible manner. Research has shown us who our visitors are and where we need to focus our marketing dollars - Atlantic Canada, Northeast United States, Quebec, Ontario and Europe. Western Canada shows potential for growth and we will invest in the Alberta market in 2006 to assess the long-term potential.

Because the marketplace is changing, our tactics must also continue to evolve. Travelers are taking shorter trips more frequently and booking closer to departure. Increasingly, our customers are using the Internet to gather information. And they want to be able to buy what we have to sell easily. If we don't adapt to their evolving needs they will simply take their travel dollars and vacation elsewhere.

Delivering the Experience

Research can tell us where the travelers are and how to reach them. It can also single out the type of experiences and products that are most likely to bring them to Nova Scotia.

Outdoor / Nature

- Hiking / Walking
- Whale watching
- Birding
- Golf

Culture / Heritage

- Museums and Historical Sites / Living history
- Performing Arts and Music
- Festivals and Events
- Cuisine and Wine

Cruise

- Building services to meet demand

Experiential Touring

- Sight-seeing
- Experience-based packages

Urban Experiences

- Dining and Entertainment
- Shopping

Meetings and Conventions

- Meeting facilities and accommodations
- Pre and post programming

Strategic Priorities

Our customer-centered approach continues for 2006. It is this process of attracting, engaging, selling and satisfying our customers that will lead to increased sales and repeat visitation. We have identified seven strategic thrusts for 2006 that every aspect of the plan will support from advertising, through sales, partnerships and public relations. There is not a corner of Nova Scotia that is not touched in some way by tourism. Our internal audience is an important component of ensuring a strong, vibrant economic tourism engine to help drive our economy.

The seven strategic priorities are:

1. STRENGTHEN TRANSPORTATION ACCESS

Strengthening transportation access is a key recommendation from the Vision for Tourism. Whether it's by air, ferry, rail or road, any visitor who wants to come to Nova Scotia needs a pathway that's easy to find, easy to book and easy to access. Developing these links to ensure ease of access is our focus.

2. EVOLVE DESTINATION DEVELOPMENT

In order to differentiate Nova Scotia in the marketplace as a ***'must go and experience destination'*** we need to show our markets that there's new product on the shelf. We will concentrate our efforts on three main streams: Tourism Destination Areas, Attractions Enhancement & Development, and new Product Experiences.

3. DELIVER SMART TOURISM

The key to Nova Scotia's continued success is the quality and integrity of our natural environment, especially our remarkable coastal assets. Our market positioning in the global tourism market as an attractive, seacoast and nature tourism destination is founded on maintaining the intrinsic scenic values and long-term sustainability of these natural resources.

4. MAKE OUR TOURISM BUSINESS MORE COMPETITIVE

It will take a concerted team effort to reach our goal of doubling tourism revenues. We need to determine what the customer wants so we can deliver better than anyone else through Market Readiness Programs, Investing in People and Business Development Tools.

5. TAKE OUR BRAND TO NEW PLACES

We have to test and investigate new markets. Combine online marketing and MPR (Marketing Public Relations) with traditional advertising to develop brand awareness in key markets and through new channels. We need to take advantage of events and initiatives that appeal to specialized markets.

6. CLOSE THE SALE

We will increase brand awareness and consumer desire for our product but we then must close the sale. Growing the Nova Scotia tourism industry means providing travelers with the opportunity to easily make their purchase. And it means providing a consistent sales culture no matter what channel a visitor uses especially in the online arena.

7. GAIN NEW INSIGHTS

Every aspect of our marketing efforts must not only be founded in research but the results must be examined, learnings applied and new research commissioned. Nova Scotia has to keep ahead of the curve when it comes to customer expectations and product offerings.

[www.nstpc.com/2006Plan]

Measuring Success

Being successful is one thing. Proving it another. Nova Scotia employs some of the most sophisticated and accurate measurement metrics in North America. They include:

- Visitation statistics – road, sea and air
- Accommodations reports from industry operators
- Revenue and economic impacts are calculated from these sources
- Inquiry tracking and conversion
- Advertising awareness tracking on a bi-weekly basis
- Third party studies from CTC, ACTP, TIA and others

And we report the results throughout the year:

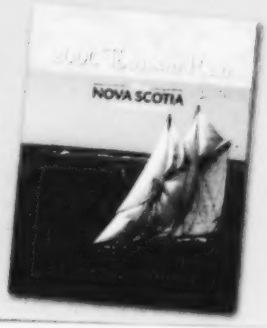
- FactsFlash
- **www.nstpc.com** website
- Tourism insights

Pursuing the Vision

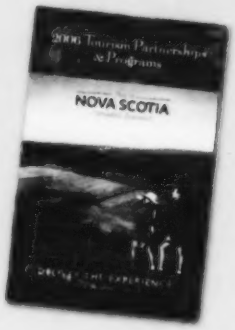
Tourism is a global industry with excellent long-term growth potential for destinations that seize the opportunity. Doubling our industry's revenues by 2012 is going to require new ideas transformed into bold action. And we all have a role to play.

Combining our resources and talent gives us greater leverage to achieve success. The 2006 Annual Plan is about working together to welcome the world to Nova Scotia. But it is only one component of a bigger strategy designed to help our industry reach its vast potential. We all believe in that future and promise. Together – with this plan as a guide – we believe we're closer than ever to making it happen.

The 2006 Annual Plan is available online at: www.nstpc.com/2006Plan or by calling 902.424.0048



For 2006 Partnership Opportunities visit: www.nstpc.com/Partners or call 902.424.4170



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